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Argentine Grain Outlook

World Pork Output Sets Record

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In this issue:

3 Bumper Corn and Sorghum Crops Help Argentina's Grain Exports By James P. Rudbeck

4 1971 World Pork Production May Surpass 1970 Record By K. Suzanne Wright

6 U.K. Fats and Oils Imports Up as Britain Buys More Soybean Oil

7 Knit Fabric Trend Penetrates Western Europe's Cotton Market By Bernice M. Hornbeck

9 International Financing Organizations: How they help trade. Part III—The Inter-American Development Bank By Carolee Santmyer

11 News Briefs

13 Crops and Markets

This week's cover:

Loading Argentine grain into silo. For current report on the Argentine grain situation see story beginning this page.

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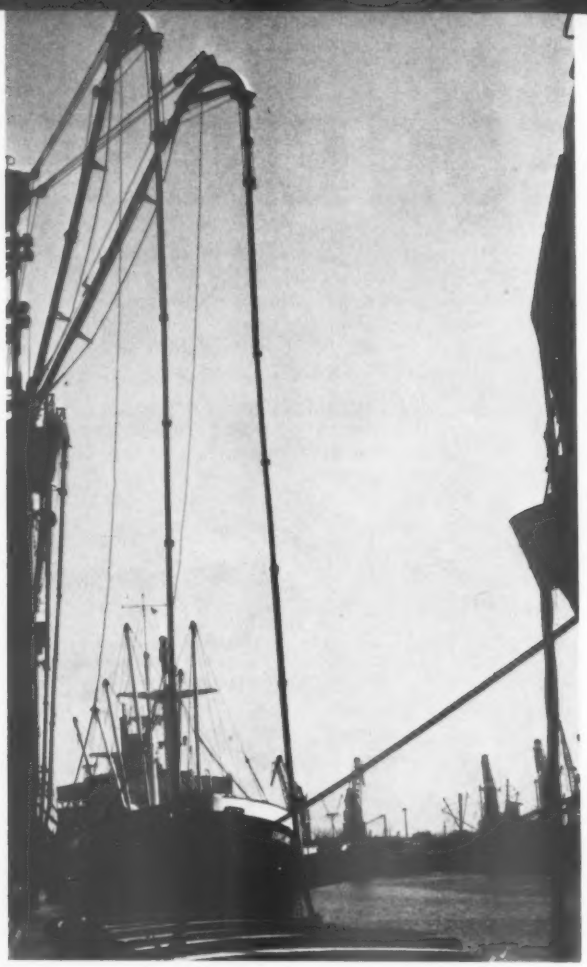

Bumper Corn and S

Help Argentina's G

By JAMES P. RUDBECK
Assistant U.S. Agricultural Attaché
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Record production of grain sorghum and a near-record corn crop could maintain Argentina's total grain exports this season at last year's level despite reduced production and exports of wheat and the other winter grains—oats, barley, and rye.

While wheat exports in 1970–71 are expected to decline 70 percent, those of corn could be the highest since the late thirties, and sorghum shipments could reach a new peak. Larger supplies of

long-grain rice should boost exports of that crop even though total rice production will be down.

Sowing of the winter grains was hindered by a lack of moisture during June–September 1970. However, conditions improved later in the year to allow substantially larger corn and sorghum plantings, which were then favored with more than ample rainfall in January and February.

The area sown to wheat in 1970—10.4 million acres—was the lowest since the turn of the century, 33 percent less than in the previous year, and 34 percent below the recent 5-year average.

The Ministry of Agriculture's third estimate for wheat production was 4,250,000 metric tons, 39 percent less than the previous year's production and the lowest since 1960–61. Yield was indicated at 19 bushels per acre, slightly higher than the recent 5-year average of 18.1 bushels.

Durum wheat production has been estimated by the Ministry at 480,000 tons, 37 percent less than the record volume of the preceding harvest. However, the rate of exports to date and registered stock figures indicate that the Durum estimate may be low by about 25,000 to 75,000 tons.

Sorghum Crops

Grain Exports

The combined area planted to barley, oats, and rye in 1970 was 17 percent below that of the previous year, and production fell by 38 percent. Production of these dual-purpose grains—planted for both grain and pasture—was affected not only by the insufficient rainfall during planting, but also by heavy grazing during the winter drought, which reduced both harvested area and yields.

The area sown to corn in 1970 was larger than that devoted to wheat for only the second time in Argentine history (the first was in 1935). Approximately 6 percent more acres were planted to corn than during the previous season, and the sown area was the highest since 1941.

Because of the late rains, it is generally concluded that the second production estimate released by the Ministry of Agriculture—based on early May survey conditions—is probably high. This second estimate was 9.9 million metric tons, compared with 9.36 million in 1969–70, and the highest since 1940–41.

The area planted to grain sorghum, which is generally sown at about the same time as corn, was boosted 28 percent. The official estimate is for a harvest of 4.8 million metric tons. As with corn, the delayed harvest and the early winter are generally thought to be resulting in an actual harvest volume somewhat below the latest official estimate. Nevertheless, the crop will still be greater than the 3.8 million tons gathered last season, which was the previous high for the country.

The area planted to rice this season was reduced 21 percent overall. However, there was a marked shift toward long-grain varieties, and the area planted to these types increased substantially. The switch toward long-grain rice (double Carolina types) and the overall decline in the planted area resulted from low prices for other types of rice during the past season, when farmers had difficulties marketing a record crop.

Production of rice is officially estimated at 300,000 tons (rough), 26 percent less than the record 407,000 tons of last season, but still the third largest crop ever produced in Argentina. It is estimated that about 80–85 percent of this year's harvest consists of long-grain double Carolina types (Bluebonnet, Fortuna and Aguiboa), 10 percent Carolina, and the balance Glace.

Although exports of wheat from Argentina have accounted for up to 13 percent of world trade during the past four marketing seasons (Dec.–Nov.), Argentine exports have not been an important factor in the world market, fluctuating between only 2.2 million and 2.5 million tons annually. There has, however, been a rise in Durum wheat shipments which, at 578,000 tons in 1969–70, accounted for one-quarter of total Argentine wheat exports. In the current season, Durum exports will account for the majority of overseas wheat sales.

Bread wheat exports since the start of the current marketing season in December have been only 161,520 tons through May, compared with 699,970 during the comparable period last year. The supply situation may limit bread wheat exports to those already made, plus the Grain Board's recent sale of 50,000 tons to Chile, unless compensating imports are made.

Exports of oats recovered slightly last season, spurred on by a large demand in Western Europe. However, the area devoted to barley, oats, and rye has more or less stabilized in recent years, and exports, like production, have fluctuated with changes in weather conditions, internal price relationships, and domestic feed requirements. During the current marketing year exports of all three grains will likely be lower in comparison with the previous season although exports during the first 6 months were up slightly.

Corn exports in 1971–72 could be the highest since 1937, exceeding the 1970–71 (Apr.–Mar.) volume of 5.5 million metric tons when Argentine shipments accounted for about 20 percent of world corn trade. In February,

(Continued on page 16)

ARGENTINA: PRODUCTION AND EXPORTS OF GRAIN

Grain	Production			Exports			
	1969-70[1]	1970-71[2]	1971-72[2]	1968-69	1969-70[1]	1970-71[2]	1971-72[2]
	1,000 metric tons	*1000 metric tons*	*1,000 metric tons*	*1000 metric tons*	*1,000 metric tons*	*1000 metric tons*	*1000 metric tons*
Total wheat[3]	5,740	7,020	4,215	2,461	2,284	700	[5]
(Durum)	475	760	475	282	587	450	[5]
Total barley, Oats, rye[3]	1,406	1,372	848	415	344	211	[5]
Corn[4]	6,860	9,360	9,900	3,442	3,953	5,464	6,000
Grain sorghum[4]	2,484	3,820	4,800	811	1,463	1,703	2,500
Milled rice[4]	242	285	210	46	78	100	125

[1] Provisional. [2] Forecast. [3] December-November. [4] April-March. [5] Not available.

Netherlands meat packers . . .

. . . and pork products from Denmark.

1971 World Pork Production May Surpass 1970 Record

By K. SUZANNE WRIGHT
Livestock and Meat Products Division
Foreign Agricultural Service

Last year saw a record set in world pork production, and early slaughtering levels indicate that 1971 pork output may also reach a new peak.

The 1970 level of pork production grew out of the situation in 1969 which was characterized by short supplies. Denmark, the world's leading pork exporter, was caught so short it was forced to refuse to sell to certain markets; the British bacon quota went unfilled for the first time in years; and Japan, normally self-sufficient in pork production, was forced to import.

Encouraged by high prices in 1969, world pork production did an about-face in 1970 and rose to a record high of 52 billion pounds, up 4 percent from the previous year. With the exception of Poland and Italy, all major pork producing countries showed increases.

Production in the United States was up by nearly 4 percent; in the European Community and Denmark, by 5 percent; Canada, by 19 percent; Japan, by 30 percent; and the United Kingdom, by 2.5 percent. Most of the increased production was consumed domestically but some trade adjustments did occur.

The United Kingdom, the world's largest importer of pork, is primarily an importer of bacon. It is nearly 100 percent self-sufficient in fresh pork production. Bacon imports are regulated under a quota arrangement known as the Bacon Market Sharing Understanding.

Under this agreement the United Kingdom's total bacon requirements are determined annually, the amount to be supplied by domestic production is estimated, and the remainder is filled by imports. In calendar 1970 domestic supplies were larger than anticipated and imports from all of the participating countries—with the exception of Ireland—were below 1969 levels.

Owing to extra large British deliveries, Denmark's exports of Wiltshire sides (bacon) to the United Kingdom dropped 15 million pounds from their actual level of a year earlier. Denmark's exports of fresh pork, however, increased by 33 million pounds with Italy, Poland, and West Germany being the major markets.

Poland, second largest supplier to the U.K. bacon market, reportedly was forced to cut back bacon exports to that country in 1970 because of a reduction in British import requirements and not because of domestic production difficulties. Poland's pork production, however, was down 5 percent in 1970 from the 2 billion pounds of 1969 because of lower swine numbers and poor profitability of feeding. As a result, Poland imported about 15 million pounds of fresh pork from Denmark and an unknown quantity from West Germany. Total Polish imports of pork in 1970 were nearly 100 million pounds.

Pork production increased in all EC-member countries in 1970 with the exception of Italy where inventory build-ups resulted in production that was down 6 percent from the previous year. Intratrade in pork among the EC countries also increased with Belgium and the Netherlands shipping more to France, Italy, and West Germany.

Pork trade between Canada and the

United States is small in total volume and consists mainly of fresh pork items. Canadian producers enjoy a market in the northeastern United States for specialty hams at premium prices. There is also a good demand for Canadian pork loins and bellies.

In 1970, lower Canadian hog and pork prices caused by increased production made the relatively higher priced U.S. market attractive and Canadian pork exports to the United States rose 25 percent—to 71 million pounds. About 40 million pounds of the total exported by Canada were hams, the same as in 1969.

According to U.S. trade statistics, Canada shipped about 68,000 head of live hogs to the United States in 1970, more than five times the 1969 level. Improved feedgrain supplies and favorable U.S. pork prices were responsible for this abnormally large movement which occurred between the months of June and August. Since then, Canadian hog shipments have declined to 21,411 head in the first third of 1971.

The United States is the world's largest producer of pork but it is only a small exporter, partly because of hog cholera restrictions in many countries and also because of large domestic demand. U.S. pork exports in 1970 returned to their historic level of about 60 million pounds as a result of production recoveries in Japan and Canada. Larger shipments to these two countries in 1969 had raised record U.S. exports to 145 million pounds.

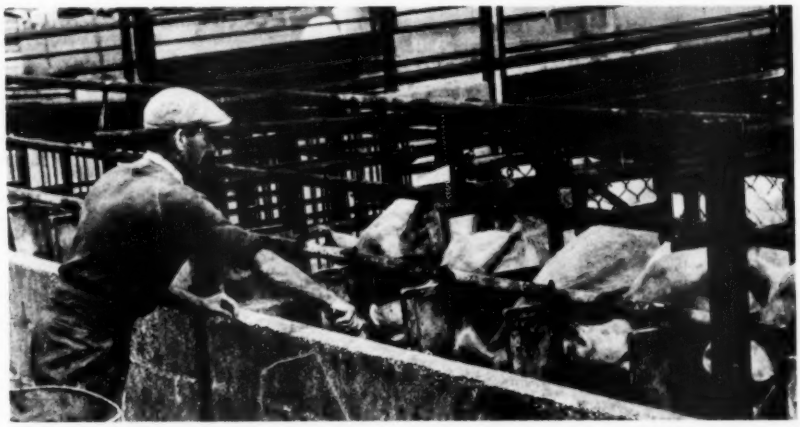
Throughout the past decade, the United States has remained the world's second largest pork importer, exceeded only by the United Kingdom. For the past 5 years U.S. imports of pork have amounted to a little over 3 percent of domestic production or around 400 million pounds. About 60 percent of this total consisted of specialty items—primarily canned hams and shoulders—with Denmark being the largest supplier, followed by the Netherlands. In 1970, imports of canned hams and shoulders were up about 22 million pounds from 1969 levels because of larger arrivals from these two countries.

The predicted 1971 pork production record is based on early-year increases in hog slaughterings. Production in the United States for the first quarter of 1971 was more than 20 percent above the same period a year ago. Hog slaughter in the spring was expected to continue above a year ago but to decline seasonally into the summer and continue below a year ago.

Canadian production for the first 2 months of 1971 ran about 23 percent above a year ago. As is the case with the United States, Canadian slaughter is expected to exceed the 1970 level, but the percentage increases for succeding quarters might trend downward from the 23 percent estimated for the first quarter. An absolute decline is forecast for the fourth quarter.

The outlook for 1971 pork production in the European Community is for a further increase during the first half of the year. Production in Germany is expected to be a little lower in the second half. Continuing high rates of growth are expected from the Netherlands even in the early months of 1972, while production is expected to stabilize in France and Belgium. In Italy, expansion of production began in 1971 and with the help of imported German weaner pigs it is expected to continue until early summer of 1972.

Pork production in the United Kingdom is expected to be up around 5 percent with most of the increase being in bacon and ham production, which was further encouraged in October of 1970 when the British Government increased the "middle band" (the level of certifications at which the full guarantee is paid) by 450,000 head. This means that more baconers and curers can now be marketed without a corresponding fall in the size of deficiency payments.



Clockwise from above: feeding of sows in England; Hampshire auction sponsored by Kanagawa, Japan, Hampshire Association; Ecuadoran youths with the sow they bought through their Government-promoted youth club (Photo: FAO)

U.K. Fats and Oils Imports Up as Britain Buys More Soybean Oil

British imports of fats and oils rose slightly in 1970, largely because of sharply increased imports of soybeans —mostly from the United States—and soybean oil.

Vegetable oil imports increased while oilseed imports declined. As a result of the smaller oilseed imports, the trend away from oilseed crushings continued. Crushings in 1970 provided only 22 percent of vegetable oil requirements compared with 58 percent as recently as 1963.

Despite the decline in oilseed imports, however, the combined total oil content of oilseed and vegetable oil imports increased slightly as oil purchases went up appreciably. The oil content of seed and oil imports amounted to a total of 718,000 tons, 18,000 tons or 2.5 percent larger than in 1969.

As lard imports rose moderately, there was a reduction in foreign purchases of other animal fats, marine oils, and butter in 1970. As a result, total fat content of all imports of oilseeds, fats, and oils into the United Kingdom in 1970 was 1,609,000 tons, a marginal 12,000 tons above the content in 1969 imports.

Imports of soybeans and soybean oil rose markedly. Imports of soybeans as beans in 1970 amounted to 360,000 tons, 42,000 tons or 13 percent larger than in 1969, and 123,000 tons or 52 percent higher than in 1968.

All but a very small proportion of soybean imports in 1970 were U.S. beans; but the quantity shipped directly actually declined a little from the 1969 level to 224,000 tons. This was 15,000 tons smaller than in the previous year.

Transshipments of U.S. beans via the Netherlands, however, at 77,000 tons, were considerably more than double the 30,000 tons transshipped in 1969, while imports via Canada, at 49,000 tons, were 10,000 tons or 26 percent larger than in 1969.

Imports of Chinese soybeans in 1970 fell to only 2,000 tons from 5,000 tons in 1969 and 12,000 in 1968.

Imports of soybean oil as oil in 1970 reached the very high level of 60,500 tons, 2½ times as large as those in 1969 and a fourfold increase since 1968. As usual, most of it came from Canada, with shipments totaling 25,900 tons, 7,700 tons or 42 percent above the 1969 level. Soybean oil from Canada is duty free, whereas the duty on oil from non-Commonwealth sources is 15 percent.

Second most important supplier of soybean oil in 1970 was Spain, with 16,400 tons, compared with only 3,100 tons the previous year and none in 1968. This oil is also from U.S. beans.

Direct soybean oil imports from the United States totaled 1,600 tons compared with none in 1969.

The total oil equivalent of soybeans and soybean oil in 1970 was 122,000 tons—43,000 tons, or 54 percent, above the 1969 level and more than double the 55,000 tons, oil equivalent, imported in 1968.

In contrast to soybean imports, imports of peanuts as nuts into the United Kingdom in 1970 amounted to only 61,000 tons—10,000 tons, or 14 percent, lower than in 1969 and 56,000 tons, or 48 percent, smaller than in 1968. Since there was no production of peanut oil in 1970, most of the peanut imports were probably for edible consumption; i.e., as peanut butter or salted nuts or in confections. Almost all the reduction was in imports from Nigeria, which, after dropping from 57,000 tons in 1968 to 19,000 tons in 1969, fell still further to 13,000 tons in 1970. Imports from Malawi, at 25,000 tons, and from South Africa, at 7,000 tons, were unchanged.

Imports of peanut oil in 1970 were 10,400 tons, or 12.5 percent, larger than in 1969 and amounted to 94,300 tons; this, however, was still 30,400 tons, or 25 percent, lower than in 1968. As usual, most of the imports came from Nigeria, with shipments totaling 74,500 tons, an increase of 2,800 tons, or 4 percent, from the previous year's level. Imports from the Gambia, however, almost doubled—from 9,800 tons to 18,700 tons.

All together, the oil equivalent of peanut and peanut oil imports in 1970 amounted to 122,000 tons—6,000 tons, or 5 percent, more than in 1969, but 55,000 tons, or 31 percent, smaller than in 1968.

U.K. copra imports in 1970 also were down, amounting to only 31,000 tons. This was 14,000 tons, or 31 percent, lower than in 1969. All but 4,000 tons of the copra came from Papua and New Guinea. Coconut oil imports, at 47,400 tons, were 4,900 tons, or 11.5 percent, larger than in 1969, although the same as in 1968. Most of 1970's increase came from Malaysia, with imports more than doubling from 3,600 tons to 7,600 tons. Imports from Fiji fell slightly from 16,100 tons to 15,600 tons, while those from Papua and New Guinea, at 22,200 tons, were the same as in the previous year.

The oil equivalent of copra and coconut oil imports in 1970 was 67,000 tons, which was 4,000 tons, or 5.5 percent, lower than in 1969 and 10,000 tons, or 13 percent, below the 1968 level.

U.K. imports of palm kernels, at 37,000 tons, were 14 percent lower than in the previous year and 27 percent lower than in 1968. Principal sources shifted, with Sierra Leone providing most of the supplies, and imports from Nigeria falling from 30,000 tons in 1969 to 2,000 tons in 1970. Palm kernel oil imports, still mostly from Nigeria, were up.

Palm oil imports in 1970 were up 16.5 percent to 159,000 tons. Slightly more than half this quantity came from Singapore. Malawi also supplied a significant share.

Linseed imports, all from Canada, were 59,000 tons, 11 percent below the 1969 level. Linseed oil imports, however, were up 5 percent to 38,100 tons. Largest supplier of linseed oil was the

Netherlands, and imports from Canada almost doubled to 11,000 tons.

A sharp drop was registered for cottonseed imports—from 21,000 tons in 1969 to 2,600 tons in 1970. The entire amount in 1970 came from the Sudan, whereas in the previous year small amounts also came from Cameroon and Dahomey. Cottonseed oil imports, on the other hand, went up sharply from 11,800 tons in 1969 to 40,500 tons in 1970.

Sunflower oil imports were down 66 percent from the 1969 level to only 33,700 tons. Imports from the Soviet Union, Romania, and the Netherlands all were down.

Also down were rapeseed imports, at 49,000 tons. Rapeseed oil imports, however, went up. Castorseed imports were little changed, castor oil imports down, and tung oil purchases only half those in 1969.

Lard imports, particularly from the United States, recovered strongly from the previous year's level, and amounted to 187,200 tons. This was 12,100 tons, or 7 percent, higher than in 1969. Almost all the increase came from the United States, which shipped a total of 116,600 tons, 47 percent above the 1969 level. In 1970, U.S. lard provided 62 percent of total imports, whereas in 1969 the U.S. share was only 45 percent. However, British lard imports from the EC, at 52,100 tons, were 27,100 tons, or 34 percent, smaller than in 1969; there was a particularly sharp fall in imports from Belgium.

Butter and butter oil imports, on the other hand, were down to 400,100 tons, actual weight. This was 21,000 tons, or 5 percent, below imports in 1969. The greater part of the fall was in shipments from New Zealand, which, at 155,700 tons, were 18 percent below the 1969 level. There was also a reduction in imports from Denmark, second largest supplier. Imports from Australia and the Irish Republic increased, and shipments from most East European countries, especially Poland and Romania, were larger than in 1969.

Between early 1970 and early 1971, prices of most oilseeds and vegetable oils went up sharply. Among the edible items, only rapeseed oil registered a more moderate rise, while the prices of the industrially used linseed and linseed oil tended to ease.

U.K. production of rapeseed, the only oilseed grown in the United Kingdom, fell from 12,000 tons in 1969 to 11,000 tons in 1970. Area of rapeseed grown for seed was only 10,000 acres, 3,000 acres below the 1969 level. Although it is too early to say what area and production will be in 1971, it seems probable that they will fall further.

As a result of increased U.K. cattle slaughter in 1970, tallow production is estimated at 145,000 tons, or 10,000 tons higher than in 1969, but only 2,000 tons above the 1968 level. Prospects for 1971 are less favorable because cattle and sheep slaughter is expected to fall somewhat.

U.K. butter production in 1970 was up. Since 1966, U.K. butter production has almost doubled, and is expected to advance still further in 1971 because of extra incentives recently given to dairy farmers.

Total supplies of oilcakes and meal in 1970 were slightly above the 1969 level. U.K. production, almost entirely from imported oilseeds, was down from the 1969 level, but imports were up. Soybean oilcake and meal supplies went up sharply to compensate for reduced availability of fishmeal.

Knit Fabric Trend Penetrates Western Europe's Cotton Market

A quiet explosion has been taking place the last few years in the textile markets of Western Europe—the trend to knits for clothing that was formerly made of woven fabric. Traditionally, hosiery, fully fashioned (knitted-to-shape) outerwear, and underwear have been the major knitwear markets.

Now, new types of knitted fabrics that are cut and sewn into apparel are being used for women's dresses, children's clothing, and—to a lesser extent—men's slacks and trousers, jackets, and vests. This phenomenon is apparent in developed countries everywhere, but Western Europe has been in the forefront of this changing picture of textile manufacture and use.

To U.S. cotton interests the trend to knits has significance because Western Europe is an important cotton market and cotton has not had a strong position in that segment of the knit market showing the most dynamic growth—namely knitted fabrics.

The trend is illustrated by events in the United Kingdom. In 1954, 72 percent of all fabric output was woven; in 1969 woven fabrics were only about half of all fabrics made.

Even though cotton has an important place in some knit end uses, in the past decade it has shown little strength—except in the manufacture of underwear, for which it has a leading and traditional position.

An example of the problem of cotton in the present booming market for knitted fabrics for outerwear comes from the Netherlands. At present, about 40 percent of all dresses made in the country are cut-and-sewn knitwear. Of the knitwear dresses, 60 percent are made of textured polyester filament yarn (manmade), and only 2 percent are made of cotton.

Actually, the trend to knitwear and the greater use of certain types of manmade fibers in Western Europe are intimately connected. The present knitwear

Drawings accompanying this article are examples of advertisements issued by a large knitwear organization in Europe.

momentum is a direct outgrowth of earlier developments.

Textured polyester filament yarn, used in many outerwear fabrics, was first offered in volume in Western Europe about 1965. Concurrently, new Jacquard double-knit equipment became available. This juxtaposition of change in yarns and new and improved machinery was probably not accidental.

In most West European countries manmade fiber producers work very closely with knitting machinery manufacturers. In Britain, much knitting equipment is in the hands of companies that are subsidiaries of one of the major manmade fiber makers.

The new types of yarn plus new machines made possible the development of new types of knitted fabrics that could be cut and sewn into apparel. This innovation, in turn, made it possible for knitted fabrics to be used for a variety of clothing that was formerly manufactured almost exclusively from woven goods.

Fashion also plays a role in making knitwear popular. Owing to the flexibility inherent in the knitting process and the relative profitability of short production runs compared with weaving, knit fabric manufacturers can respond quickly to fashion changes. Along with other segments of the textile and apparel industry, knitters generate and contribute to fashion swings by creating fabrics with new appearances and properties and with considerable diversity. For example, on double-knit equipment, different colored yarns can be used simultaneously to knit various patterns into a fabric, which needs little further processing before being manufactured into garments.

As an additional advantage, Jacquard nylon and polyester fabrics need only to be "scoured," or washed, to complete the manufacturing process.

Finally, although promotion funds are greatly reduced at the present time, manmade fiber producers are continuing to work with textile manufacturers and the clothing industry to maximize the use of manmade fibers and create consumer demand by advertising and promotion campaigns.

Characteristics of knits have also helped their sales in Europe. Knits are comfortable because they stretch with body movements, and they often have easy-care factors that appeal to a wide range of consumers.

However, they are not without problems, too. Clothing made of textured nylon or textured polyester knit fabric has a tendency to snag and to be uncomfortable in hot weather. Such clothing also presents many difficult problems in the manufacturing process.

Although the place of cotton in the fast-growing market for knit outerwear fabrics has been weak to date, it may improve in the future.

In most knitting processes—such as circular single, circular double, and Raschel—there is no technical problem that limits the use of cotton or other spun yarns. They cannot be knitted as fast as manmade fiber filament yarns, however, because spun yarns of any kind run less easily on knitting equipment than manmade fiber filament yarns—particularly the yarns of the untextured variety.

At present some new developments, in which the International Institute of Cotton has been interested, hold out new hope for use of cotton yarns in knitwear.

Experiments are being conducted on new types of cotton yarns that have recently become available commercially or are still in the experimental stage. These may, because of their special characteristics, overcome some of cotton's problems in the knitting industry and may also be attractive to modern consumers.

In addition, knitting firms are experimenting with new yarns, new equipment and machinery, new fabric-forming techniques that combine some aspects of both weaving and knitting, and new systems for coloring, printing, and dyeing. Some of these would better utilize cotton yarns.

Finally, there appears to be some consumer desire to return to natural fibers—or at least to the appearance of natural fibers. This trend may limit the further expansion of manmade fibers in knitwear and help cotton.

The past rapid gains made by knit fabrics in Europe may thus be beginning to slow—indicating a degree of maturity in the knit goods market. Although between 1960 and 1969 knit fabric production in the countries of the European Community rose from 24,000 metric tons a year to 121,000 tons—an average annual gain of almost 20 percent—expansion in the future may be more moderate.

—By Bernice M. Hornbeck
Cotton Division
Foreign Agricultural Service

INTERNATIONAL FINANCING ORGANIZATIONS:

How they help trade

Part III: The Inter-American Development Bank

By CAROLEE SANTMYER
Foreign Development and Trade Division
Economic Research Service

IDB loan funds rice experiments in Ecuador.

The Inter-American Development Bank (IDB) is a regional agency whose financial and technical assistance is designed to accelerate the individual and collective development of member countries by promoting self-help and mutual cooperation. Members include the United States and 22 Latin American countries.

The functions of the IDB are extremely important to world trade. As Latin American countries achieve economic growth, they have more goods to export. With the earnings from exports, they can increase their imports—a portion of which may be U.S. farm products.

Currently membership in the Organization of American States (OAS) is a prerequisite for IDB membership. However, in April 1970, at the Bank's 11th annual meeting, a committee of Governors began an intensive study to determine whether it was feasible to change this regulation in order to allow developed countries which are not OAS members (including those outside the Western Hemisphere) to join IDB. Such a change would result in an increase of available resources for lending.

In addition to its leading role in the financing of agricultural development, agribusiness, fishing, and forestry, the IDB has pioneered in the realm of export financing and promotion of international projects. It was also the first lending institution to encourage the improvement of higher education and the first international organization to advance a comprehensive policy for urban development.

IDB has helped to establish central planning offices, national systems of savings and loans for the construction of low-cost housing, and programs of supervised credit for low-income farmers. It is also a technical arm of the Inter-American Economic and Social Council (ECOSOC) of the United Nations in matters relating to development financing in Latin America.

Over $4 billion in loans was approved by the IDB from its inception on December 30, 1959 up to December 31, 1970. Of this amount $1 billion was allocated for agricultural loans and $1.7 billion for infrastructure loans (including such items as electric power, transportation, communication, water supply, and sewage—services basic to economic growth).

Regional economic integration is regarded by the Bank as the most direct road to industrialization, increased and diversified foreign trade, and overall economic development. Financing of integration-oriented projects and activities amounted to $513.8 million by December 31, 1970. Of this total, over $53 million was extended to stimulate intraregional trade by opening lines of credit to help finance capital goods exports among member countries. Other projects with an integration impact and integration-related preinvestment studies and activities received the remainder of these loans.

The Bank also gives financial support to the Latin American Free Trade Association, the Central American Common Market, and the Central American Bank for Economic Integration for research activities designed to further regional integration. In addition, its Institute for Latin American Economic Integration gives technical support to the integration movement by studying the economic, technical, legal, and institutional factors that enter into it.

This is the third in a series of articles examining the role that international monetary organizations play in increasing the flow of world agricultural trade. (See *Foreign Agriculture*, May 31, July 5, 1971.)

In 1970 the Bank continued to stress development of agriculture, transportation, and electric power. During the year it devoted $236 million to agriculture, $162 million to transportation and communications, and $103 million to electric power. Water supply and sewage system projects accounted for an additional $29 million. Of the remaining 1970 loans, $47 million were industrial, $29 million supported urban development, and $14 million were educational loans. Export financing and preinvestment activities each accounted for an additional $12 million, bringing total 1970 loans to $644 million.

To encourage regional integration in 1970, Bank loans totaling $38.3 million were extended for South American bridge and highway construction to provide an overland link between Argentina and Uruguay as well as a new route from Brazil through Uruguay and Argentina to Chile. The Bank also lent $20 million for general highway construction in Central America.

On an individual country basis the IDB loaned Brazil $13 million in 1970 to help fight foot-and-mouth disease in cattle and $66.5 million (the Bank's largest single loan to date) for electric power expansion. Three loans, totaling $75 million, went to Venezuela for agricultural development. Mexico received $36 million for farm-to-market roads and $43.5 million for irrigation. A $35 million loan to Peru was approved following the 1970 earthquake, helping to support a vast rehabilitation program which included highway and communications reconstruction, agricultural development, and the improvement of water supplies, sewage systems, electric power, housing, and education.

When the Bank was established, it had two separate sources of funds—the ordinary capital resources and the Fund for Special Operations. Since 1961 it has also administered the Social Progress Trust Fund and investment resources which nonmember countries contribute for use in Latin American development.

At the founding of the Bank in 1959, ordinary capital resources were fixed at $850 million, about half was actually paid capital, and half callable by the Bank, if needed. In effect, callable capital guarantees the Bank's securities, enabling it to borrow in world capital markets. By August 1970, ordinary capital resources totaled over $4.7 billion with over $3.9 billion callable. The United States accounted for roughly $2 billion of the total ordinary capital subscription.

Essentially, loans from ordinary capital finance economic development, carry interest rates reflecting the cost of funds in world capital markets, are repayable in the currencies lent, and cover a repayment period of 7 to 25 years. Through December 1970, agricultural loans from ordinary capital amounted to $274 million, almost one-fifth of capital resource loans. Infrastructure loans totaled $688 million—almost one-half of total loans from ordinary capital. In the fiscal year ending June 30, 1970, agricultural loans from ordinary capital equaled over $18 million, or nearly 9 percent of the year's total lending. These agricultural loans were extended to Argentina, Brazil, Chile, Mexico, and Venezuela.

The Fund for Special Operations (FSO) provides more concessional loans than those extended from ordinary capital resources and can therefore respond more readily to the needs of special projects. If financially necessary, a borrower of FSO funds may repay the loan in local currency, be charged a concessional interest rate, and have a repayment period beyond the maximum allowed for loans from ordinary capital.

FSO agricultural loans through December 1970, amounted to over $680 million, over one-third of the $2 billion in total

FSO agricultural loans through December 1970 amounted for an additional 40 percent. In the fiscal year ended June 30, 1970, the largest agricultural loans went to Venezuela, Mexico, Brazil, and Argentina. These equaled $144 million, nearly one-third of FSO's total fiscal 1970 lending of $452 million.

The IDB administers the Social Progress Trust Fund set up by the United States with an allocation of $525 million in 1961. Finances from this Fund support social development projects within the Alliance for Progress. These funds are largely exhausted, having been used for such projects as land settlement and improved land use, housing for low-income groups, water supply and sewage facilities, and advanced education. Such development projects are now financed from the Fund for Special Operations.

The Vatican and four other nonmember nations—Canada, Germany, Sweden, and the United Kingdom—had provided roughly $179 million to IDB by June 30, 1970. These funds are administered by the Bank to finance Latin American development. The Bank also secures resources by sales of general use bonds and loan participations (bonds tied to specific projects) in world capital markets.

IDB LOANS 1961 TO DECEMBER 31, 1970

Sectors	Ordinary capital resources		Fund for Special Operations		Social Progress Trust Fund		Other resources		Total	
	Number of loans	Amount	Number of loans	Amount	Number of loans	Amount	Number of loans	Amount	Number of loans	Amount
		Mil. dol.		*Mil. dol.*		*Mil. dol.*		*Mil. dol.*		*Mil. dol.*
Agriculture	37	274.1	74	680.5	26	82.1	1	1.0	140	1,066.3
Industry and Mining	90	469.6	31	149.3	—	—	2	1.7	123	620.6
Electric Power	25	358.8	16	191.6	—	—	3	25.6	44	576.0
Transportation and Communications	20	248.6	28	412.6	2	5.6	6	17.6	56	684.4
Water Supply and Sewage	17	80.6	35	240.7	32	159.9	1	5.0	85	486.2
Urban Development	—	—	15	135.7	32	215.1	—	—	47	350.8
Education	—	—	30	114.7	19	31.3	1	4.0	50	150.0
Preinvestment	2	1.1	48	67.4	5	1.2	8	8.0	63	77.7
Export Financing	14	53.2	—	—	—	—	—	—	14	53.2
Total	205	1,486.0	277	1,992.5	116	495.2	22	62.9	622	4,065.2

Greek Feed Industry May Buy U.S. Tallow

Prospects appear favorable for increased tallow imports by Greece, and the United States stands a good chance of being the primary supplier. The greater import demand is expected to result from the Greek Government's recent decision to include tallow as one of the items of feedstuffs which may be imported duty free, and from a gradually developing shortage of domestically produced industrial-type olive oil.

For many years imports of certain feedstuffs essential to livestock and poultry production have been granted an exemption from Greek import duty on an annual basis to encourage livestock production. This year, for the first time, tallow was added to the list of duty-exempt items. The current duty-free status was recently extended until December 31, 1971.

A recent survey of feed manufacturers was made by the U.S. Agricultural Attaché's office in Athens to determine the possibility of using animal fat in feeds. The results indicate that if tallow prices are competitive with other feedstuffs, there is a potential market for up to 4,000 metric tons per year for use in poultry feed. There is also a possibility that tallow will be used in hog feed, in which case consumption of tallow could increase greatly.

The current annual rate of consumption of imported tallow is estimated at about 4,000 metric tons, almost 90 percent of which is used by the glycerine and fatty acid users. The balance is used by Greek cooking fat manufacturers, which reportedly, are showing an increased interest in tallow because of the shortage of the lower grades of olive oil.

EC Wheat Subsidy

The European Community has increased its wheat export subsidy for "general destinations" from $27 to $50 per metric ton, and its subsidy for Austria and Switzerland from $22 to $42 per metric ton.

This is the first change made in the wheat subsidy since August 20, 1970. The current wheat levy is $57.88. Under present regulations, an EC subsidy which is set in June 1971 remains valid through at least December 1971 and even longer for certain destinations.

U.S. Wines Return to Trade Events

Domestic wines can once again be included in USDA-sponsored promotional events overseas as a result of the new P.L. 9242. Ever since an amendment to section 402 of the Food for Peace Act of 1966 specifically excluded alcoholic beverages from being considered as an agricultural commodity under the Act, domestic wines have not been promoted at these events. Overseas market development funds under the Act could not be used to promote alcoholic beverages.

Each year since 1967 a bill has been introduced to remove the restricting language, and in 1968 the term "domestic wines" was substituted for "alcoholic beverages." The new law was signed by the President on July 1.

It will permit domestic wine producers to take part in FAS-sponsored events such as trade fairs, hotel promotions, and point-of-purchase promotions in supermarkets. Californa wine producers were active in such promotions before the restriction and have made known their intention to again participate, particularly in promotions with hotels and other institutional users. Wines are featured by other exporting countries in their promotional events.

Approximately 75 percent of total U.S. wine production is of California origin. In calendar year 1970, California production of table and dessert wines amounted to 190 million gallons. Total U.S. exports amounted to 458,828 gallons, valued at $1.5 million. This was an increase of some 30,000 gallons over 1969.

U.S. Offers Surplus Butter for Export

The U.S. Department of Agriculture announced recently it will temporarily offer Commodity Credit Corporation-owned butter for export without limitation as to destination at 50 cents per pound, basis port of export. This action is being taken after consultation with major butter-exporting-nations to make U.S. butter available to help meet the current tight world butter supply situation.

Sales for export to the United Kingdom only have been authorized since mid-May. Approximately 12 million pounds of U.S. butter have been sold under that program at not less than 50 cents a pound, a price which the U.S. Department of Agriculture is maintaining in order to avoid disrupting established world butter trade patterns.

By mid-June, the Commodity Credit Corporation owned approximately 168 million pounds of butter acquired under the dairy price support program. Principal outlets for this butter have been donations to the school lunch program and to welfare institutions, and in some years, the export market.

New Zealand Wool Board Asks Controls

The New Zealand Wool Board has asked the Government for legislation to enable the Board to control wool sale methods. Concerned at the increasing volume of wool being sold privately, the Board also expressed fear that the wool auction system might be undermined in the coming season before it has completed its overall review of wool marketing.

One likely form of control would involve the registration of all firms dealing in wool, whether inside or outside the Wool Board's auction system. The Board has proposed that quotas be allocated to wool-selling firms based on their past wool sales and that all wool handled in excess of the quota would have to be sold by the firm through auction. The volume of wool handled outside the auction system is already known to the Wool Commission, which collects a levy on all New Zealand wool.

New Zealand's major wool-handling groups—the Wool Brokers Association, the Wool Buyers Association, and the Federation of Wool Merchants—all agree that some form of control should be instituted.

Swine to Brazil

Brazil recently purchased 120 head of U.S. breeding swine to be shipped later this month. This is part of a large program of swine production expansion in Brazil instituted by the Ministry of Agriculture. More swine exports to Brazil are expected later this year. A shipment of over 100 swine was made by the United States last year.

Turkey Bans Opium Poppy Production

Turkey recently agreed to eliminate production of opium poppies by July 1972. The Turkish crop apparently supplies about two-thirds of the illegal heroin reaching the United States every year. The agreement is the result of years of negotiations between the United States and Turkey.

About 10 years ago, out of 67 Turkish Provinces, 42 grew opium poppies. In 1969 only 9 Provinces grew the plant. This fall Turkish poppy plantings will be restricted to four Provinces in western Turkey. And after next July's harvest, the planting of opium poppies will be forbidden within Turkey's borders.

The Turkish people in general do not use poppies for their opium content. Until a few years ago, poppyseed oil—at approximately 3,000 metric tons per year—was Turkey's fourth most important edible vegetable oil, after olive, sunflowerseed, and cottonseed oil. However as acreage has been reduced, oil production has also dropped and now totals only about 3,000 metric tons per year.

The opium poppy has been used as a drug for a long time. It was probably first domesticated for its seeds in the Neolithic Age. Assyrian cuneiform medical texts refer to it, and Homer speaks of it in his Odyssey. Opium did not become a problem until the 17th century in China and the Far East.

By 1906, China was calling for international help to deal with its addiction problem. In response, Theodore Roosevelt proposed an international investigation that resulted in an International Opium Commission, which met in 1909 in Shanghai. The recommendation of that Commission—presented to the world in a 1912 Convention at The Hague—was that signatories to the peace treaties of 1919-20 agreed that ratification of these treaties should also entail ratification of that 1912 Convention. Countries should not export opium unless the exporter had a license from the importing country certifying that the drug was required for legitimate purposes.

Since then, the world has dealt with the narcotics problem through a number of avenues, including Advisory Commissions of both the League of Nations and the United Nations. An International Convention in 1931 established an obligatory world estimate system aimed at keeping opium production in control. In 1942 the United States passed a Poppy Control Act and in 1953 a U.N. protocol dealing with the problem was issued.

Despite these moves, the problem remains unsolved. The ban on Turkish opium poppy production, however, may represent an important breakthrough in the world narcotics problem.

Other countries—Iran, India, Afghanistan, Pakistan, Laos, and Vietnam—also produce opium. Hopefully, the slack in the world black market opium trade resulting from Turkey's action will not be taken up by opium produced in any of these other countries that grow and export opium.

Greece Builds First Soybean Plant

Greece's first soybean crushing plant, "Soya Mills Company," is now under construction on the Saronic Gulf between Athens and Corinth. The plant, due to begin operating by late 1972, is expected to start crushing at the level of about 150,000 metric tons of soybeans per year, 65 percent of its maximum capacity. It is expected that most of the soybeans processed will be from the United States.

During the early stages of operation, most of the meal processed will be exported because current domestic consumption is around 35,000 tons.

Some of the conditions of the mill operations reported are:

- Soybeans for processing are to be exempted from import duty.
- The processor is to be free to fix selling prices of soybean meal for both domestic and export markets.
- The processor is to receive reduced-rate-of-interest loans under the terms of Greece's general export promotion program for processed goods so they will be competitive.
- An internal excise tax will be levied on soybean oil at the rate necessary to equalize domestic price with the price of domestic cottonseed oils. Thus, the internal excise on oil will fluctuate with world soybean and soybean meal prices and Greek cottonseed oil prices.

Venezuela Creates New Marketing Group

A new Marketing Corporation for Agricultural Products recently went into operation in Venezuela. The Corporation will take over all functions of the Agricultural Bank (BAP) in the field of marketing—that is, buying and selling both domestic and imported commodities.

In several public statements, Dr. Jesus Manzo Nuñez, President of the new Corporation, outlined the aims of the organization and the fields in which business will commence.

"Our initial work," Dr. Nuñez said, "is aimed at managing the marketing policy and the maintenance of minimum prices. This means that the Marketing Corporation will have two fundamental aims. The one of protection of the agricultural producer by means of a correct application of minimum prices in order to avoid his downfall and discouragement. The second stage is of consumer protection, giving him a guarantee of obtaining agricultural commodities at prices within his possibilities."

He stated that in accordance with the law, the Corporation will take over control of prices of the inputs, and that a conscientious study was being made prior to taking action.

"We are thinking about developing an incentive plan to attain increases in cereal productivity in order to avoid imports. This plan is receiving final review before being submitted for the consideration of the Minister of Agriculture. We have started an evaluation of the resources actually employed by the Nation in agricultural commodity marketing, to improve systems in the best manner."

EC Rice Price Up

The European Community has proposed an increase in the target price for rice from $202 per metric ton in 1971-72 to $206 per ton in 1972-73. If this proposal is accepted, the threshold price for rice would go from $197.90 to about $202 per ton, compared to a threshold price of only $182.40 in 1967. Present European Community levies on long-grain brown rice are now running at more than $105 per metric ton, compared with an average of $27 per ton in 1967.

CROPS AND MARKETS

Grains, Feeds, Pulses, and Seeds

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	July 14	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-13.5	1.95	−1	1.95
USSR SKS-14	1.92	+3	1.84
Australian FAQ	1.78	0	--
U.S. No. 2 Dark Northern Spring:			
14 percent	1.90	−6	1.91
15 percent	1.94	−5	1.92
U.S. No. 2 Hard Winter:			
13.5 percent	1.84	−3	1.89
No. 3 Hard Amber Durum	1.82	+2	--
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	1.76	−2	1.70
Feedgrains:			
U.S. No. 3 Yellow corn	1.68	−6	1.47
Argentine Plate corn	1.83	+2	1.65
U.S. No. 2 sorghum	1.61	−3	1.28
Argentine-Granifero sorghum	1.63	−1	1.29
U.S. No. 3 Feed barley	1.28	−2	1.13
Soybeans:			
U.S. No. 2 Yellow	3.74	+18	3.40
EC import levies:			
Wheat	1.41	+2	1.40
Corn [2]	.81	+10	.73
Sorghum [2]	.88	+4	.81

[1] Not quoted. [2] Until Aug. 1, 1972, Italian levies are 19 cents a bu. lower than those of other EC countries. Note: Basis—30- to 60-day delivery.

Fats, Oils, and Oilseeds

Australia Produces Record Oilseed Crops

Record production of oilseeds in Australia in 1970-71 boosted edible oil production in 1971 to an estimated 50,000 long tons from 30,000 tons in 1970 and 20,000 tons in 1969. Sunflower and rapeseed oils are expected to total 30,000 tons, making up 60 percent of this year's output.

Oilseed crops, particularly sunflowerseed and rapeseed, reached record levels as a result of improved weather conditions—after 2 years of severe drought—and increased acreage. Oilseed acreage expanded as land diverted from wheat became available for other crops and oilseed crushers raised guaranteed contract prices.

In addition to contracts for oilseeds for domestic crushing, contracts were also given for oilseeds to be exported to Japan. A substantial portion of this year's sunflowerseed will be shipped to Japan and a large volume of both sunflowerseed and rapeseed will be marketed next year in Japan through Mitsubishi.

The outlook for the 1971-72 season is for further substantial expansion in oilseed acreage and production. As Australia approaches self-sufficiency in edible oil production, U.S. exports of vegetable oils to Australia may decline substantially.

Tobacco

U.S. Tobacco Imports, January-May

Imports of unmanufactured tobacco leaf for consumption (duty-paid withdrawals from customs bond for manufacture) during the first 5 months of 1971 were 90.7 million pounds—3 percent more than the 88 million pounds imported during the same period in 1970.

Cigarette leaf, other, and scrap each increased about 2 million pounds, more than offsetting a 1.6-million-pound decline in imports of flue and burley cigarette leaf. There was a significant decline in average value from 60 U.S. cents per

U.S. IMPORTS OF UNMANUFACTURED TOBACCO
[For consumption]

Period and kind	1970		1971	
	Quantity	Value	Quantity	Value
	1,000 pounds	*1,000 dollars*	*1,000 pounds*	*1,000 dollars*
January-May:				
Cigarette leaf (flue and burley)	2,388	839	744	236
Cigarette leaf, other	57,278	38,533	59,203	38,995
Cigar wrapper	279	1,333	245	831
Mixed filler and wrapper	128	512	81	359
Cigar filler, unstemmed	981	936	1,412	1,242
Cigar filler, stemmed	1,266	1,658	1,224	1,638
Scrap	25,647	9,375	27,683	9,308
Stems	71	3	134	9
Total	88,038	53,189	90,726	52,618
May:				
Cigarette leaf (flue and burley)	1,351	489	154	77
Cigarette leaf, other	10,760	7,313	11,663	7,666
Cigar wrapper	86	441	72	241
Mixed filler and wrapper	10	53	17	81
Cigar filler, unstemmed	82	110	417	320
Cigar filler, stemmed	239	302	278	414
Scrap	3,918	1,491	5,233	1,910
Stems	28	1	0	0
Total	16,474	10,200	17,834	10,709

Bureau of the Census.

pound in 1970 to 58 U.S. cents in 1971.

General imports (arrivals) were a little higher in May but the total for the first 5 months of 1971 was still 16 percent below the total for the comparable period in 1970. The decline was mostly in cigarette leaf, as the scrap category continued to rise. The average price of general imports was down from 56 U.S. cents per pound in the 1970 period to 50 U.S. cents in the 1971 period.

U.S. GENERAL IMPORTS OF UNMANUFACTURED TOBACCO

Period and kind	1970		1971	
	Quantity	Value	Quantity	Value
	1,000 pounds	*1,000 dollars*	*1,000 pounds*	*1,000 dollars*
January-May:				
Cigarette leaf (flue and burley)	9,729	3,721	1,805	487
Cigarette leaf, other	91,013	56,416	75,893	41,982
Cigar wrapper	387	1,517	536	1,790
Mixed filler and wrapper	231	1,043	146	650
Cigar filler, unstemmed	16,213	5,892	18,220	6,518
Cigar filler, stemmed	894	1,051	815	1,051
Scrap	12,623	3,560	12,808	3,226
Stems	56	3	114	9
Total	131,146	73,203	110,337	55,713
May:				
Cigarette leaf (flue and burley)	1,999	665	848	255
Cigarette leaf, other	13,122	3,789	17,644	7,795
Cigar wrapper	114	462	266	900
Mixed filler and wrapper	32	144	0	0
Cigar filler, unstemmed	4,141	1,301	3,926	1,429
Cigar filler, stemmed	210	265	251	342
Scrap	2,653	660	2,346	505
Stems	28	1	0	0
Total	22,299	7,287	25,281	11,226

Bureau of the Census.

U.S. Tobacco Exports Higher in May

U.S. exports of unmanufactured tobacco in May 1971 were at an exceptionally high level of 47.4 million pounds (export weight), compared with 39.9 million pounds in May 1970. This brings the total for 11 months of fiscal 1971—July-May—to 514.9 million pounds, or only about 3 percent less than the 528.8 million pounds exported during the comparable period of last year.

Tobacco exports continued to be exceptionally heavy from January through May, reaching a total of 214.9 million pounds. This was 28 percent more than the 168 million pounds exported in the same 5 months of 1970.

Exports of flue-cured tobacco (the major kind of U.S. unmanufactured leaf in U.S. export trade) for the 11-month period of fiscal 1971 were less than 1 percent lower than for the same period of the previous year. Flue-cured exports in January-May, at 159.8 million pounds, were 38 percent ahead of the same months a year ago. Exports of burley tobacco, which are 25 percent lower for the 11-month period than they were last year are only 1 percent lower for January-May.

The recent heavier export movements are considered to be the result of earlier than normal shipments in anticipation of possible shipping disturbances in the summer or fall months. Based on seasonal estimates for exports in June, total exports are expected to have been about 555 million pounds in fiscal 1971, compared to 571 million pounds during the previous fiscal year.

The export value of unmanufactured tobacco for the first 11 months of fiscal 1971 was $499.4 million—just short of the $500.9 million exported during the same period in 1970.

Exports of manufactured tobacco products continued to rise and for the 11-month period reached a total of $181.3 million—a 14.4-percent increase over the $158.5 million exported in the same period a year ago. Exports of smoking tobacco in bulk reached 26.7 million pounds, or 43 percent more than the 18.6 million pounds of the earlier period. Chewing tobacco and snuff exports were about 19 percent lower than during the same period a year ago.

U.S. EXPORTS OF UNMANUFACTURED TOBACCO
[Export weight]

Kind	May		July-May		Change from
	1970	1971	1970	1971	1970
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Flue-cured	28,040	30,635	387,928	384,804	−.8
Burley	4,368	7,062	44,533	33,448	−24.9
Dark-fired Ky.-Tenn.	417	1,823	19,180	17,887	−6.7
Virginia fire-cured [1]	951	765	4,254	4,674	+9.9
Maryland	852	950	9,537	8,791	−7.8
Green River	15	10	224	934	+317.0
One Sucker	56	0	551	533	−3.3
Black Fat	199	106	1,893	2,416	+27.6
Cigar wrapper	89	488	1,377	1,609	+16.8
Cigar binder	(2)	5	590	339	−42.5
Cigar filler	0	52	363	287	−20.9
Other	4,940	5,538	58,329	59,181	+1.5
Total	39,927	47,434	528,759	514,903	−2.6
	Mil. dol.	*Mil. dol.*	*Mil. dol.*	*Mil. dol.*	*Percent*
Declared value	37.2	44.0	500.9	499.4	−.3

[1] Includes sun-cured. [2] Less than 500. Bureau of the Census.

U.S. EXPORTS OF TOBACCO PRODUCTS

Kind	May		July-May		Change from
	1970	1971	1970	1971	1970
					Percent
Cigars and cheroots *1,000 pieces*	3,645	5,934	53,607	60,289	+12.5
Cigarettes *Million pieces*	2,838	2,476	25,418	25,976	+2.2
Chewing and snuff *1,000 pounds*	1	5	43	35	−18.6
Smoking tobacco in pkgs. *1,000 pounds*	62	90	874	1,411	+61.4
Smoking tobacco in bulk *1,000 pounds*	1,860	2,561	18,634	26,686	+43.2
Total declared value *Million dollars*	17.4	17.6	158.5	181.3	+14.4

Bureau of the Census.

Fruits, Nuts, and Vegetables

West German Import Tender for Asparagus

West Germany has announced a tender allowing imports of canned asparagus cuts and tips from the United States, Argentina, Australia, Mexico, Brazil, Denmark, Israel, Japan, Canada, Peru, Poland, South Africa, Spain, South Korea, Taiwan, Thailand, Czechoslovakia, Tunisia, and Uruguay.

Applications for import licenses will be accepted until an undisclosed value limit is reached, but not later than December 29, 1971. Applications must be accompanied by a seller's

bill in duplicate showing the number of cans or jars, the size of container, and the price per can or jar. Licenses issued are effective from July 1, 1971 to December 31, 1971.

Livestock and Meat Products

U.S. Meat Imports Up in May

U.S. imports subject to the Meat Import Law totaled 76.7 million pounds during May 1971, compared with 62.1 million in May 1970. Declared entries for consumption during January-May 1971, at 399.8 million pounds, were 18.1 per cent below the 488 million imported in January-May 1970.

Larger entries for consumption during May from Australia, New Zealand, Mexico, Costa Rica, Ireland, and Honduras accounted for the gain. Imports from the largest supplier—Australia—totaled 35.8 million pounds. New Zealand followed with 14.5 million pounds, Mexico with 7.8 million, Canada with 7 million, Costa Rica with 3.6 million, Ireland with 3 million, and Nicaragua with 2.5 million.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW,[1] BY COUNTRY

Country of origin	May		Jan.-May		Change from 1970, Jan.-May
	1970	1971	1970	1971	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Per-cent*
Australia	20,522	35,834	223,202	153,472	−31.2
New Zealand	14,307	14,480	79,345	70,708	−10.9
Mexico	5,394	7,764	42,644	44,787	+5.0
Ireland	2,956	3,033	30,092	34,023	+13.1
Canada	7,872	6,963	33,109	32,949	−.5
Costa Rica	3,125	3,566	22,824	28,164	+23.4
Nicaragua	3,145	2,506	20,523	16,418	−20.0
Guatemala	1,762	1,001	13,792	7,821	−43.3
Honduras	1,002	1,149	12,846	7,793	−39.3
Panama	294	70	3,800	1,321	−65.2
United Kingdom	892	20	1,857	1,149	−38.1
Dominican Republic	669	341	3,380	926	−72.6
Haiti	129	51	548	277	−49.5
Total	62,069	76,778	487,962	399,808	−18.1

[1] Fresh, frozen and chilled beef, veal, mutton, and goat meat, including rejections. Excludes canned meat and other prepared or preserved meat products.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW
[P.L. 88-482]

Imports	May	January-May
	Million pounds	*Million pounds*
1971:		
Subject to Meat Import Law[1]	76.8	399.8
Total beef and veal[2]	88.9	460.0
Total red meat[3]	129.9	658.7
1970:		
Subject to Meat Import Law[1]	62.1	488.0
Total beef and veal[2]	72.2	540.9
Total red meat[3]	109.1	743.2
1969:		
Subject to Meat Import Law[1]	80.5	398.9
Total beef and veal[2]	87.2	441.0
Total red meat[3]	131.3	622.3

[1] Fresh, chilled, and frozen beef, veal, mutton, and goat meat, including rejections. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton, and goat.

Sugar and Tropical Products

Nigeria To Expand Cocoa Production

On June 8, 1971, a cocoa loan pact valued at US$7.2 million was signed between representatives of the World Bank and the Western State Government of Nigeria. The loan is the first agricultural loan that has been made to Nigeria by the World Bank.

The money is intended to help finance a $11.6-million cocoa project being planned by the Western State Government to increase cocoa production. Under the project, credit facilities will be given to farmers to plant approximately 16,500 acres of new cocoa areas and to replant 27,000 acres of old farms with high-yielding varieties.

Brazil Announces Sugar Production Plan

The Brazilian Sugar and Alcohol Institute (IAA) has approved the Sugar Production Plan for the current marketing year, June 1971–May 1972. The Plan authorizes the production of 64 million bags of refined sugar for domestic consumption and 21 million bags of raw sugar for export—a total of 85 million bags of sugar, or 5.1 million metric tons. The Plan also authorizes the IAA to increase total sugar production by 1 million bags, if necessary.

The Plan distributes sugar production in Brazil as follows: The central-southern region is to produce 51 million bags of refined sugar and 6 million bags of raw with all output in the State of São Paulo except for 17 million bags of refined; and, in the northern-northeastern region, the States of Alagoas and Pernambuco will produce 13 million bags of refined sugar and 15 million bags of raw.

The milling period of 150 working days started on June 1, 1971, in the central-southern region, and a milling period of 180 days is scheduled to start September 1 in the northern-northeastern region.

Crops and Markets Index

Fats, Oils, and Oilseeds
13 Australia Produces Record Oilseed Crops

Fruits, Nuts, and Vegetables
14 West German Import Tender for Asparagus

Grains, Feeds, Pulses, and Seeds
13 Rotterdam Grain Prices and Levies

Livestock and Meat Products
15 U.S. Meat Imports Up in May

Sugar and Tropical Products
15 Nigeria To Expand Cocoa Production
15 Brazil Announces Sugar Production Plan

Tobacco
13 U.S. Tobacco Imports, January-May
14 U.S. Tobacco Exports Higher in May

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Foreign Agriculture

Argentine Grain Exports (Continued from page 3)

the then Secretary of Agriculture projected corn exports of 6 million tons from a harvest of 9.7 million. Although the final corn harvest could be less than the latest Government estimate of 9.9 million tons, an export volume of 6 million tons may still be possible.

Considering the bleak export prospects for wheat and beef from Argentina this year, it would appear that the Government will be under pressure to insure maximum exports of corn. Thus, an export level of 6 million tons might be attainable even if production is less than the official estimate. In April, the first month of the new marketing season, exports of corn were 823,267 tons, compared with 796,010 in April 1970. May exports were close to the April level, and although shipments will not likely be sustained at this high a level in June, they will nevertheless remain large for the next several months.

Argentina has become the world's second largest shipper of grain sorghum, with its exports representing over 30 percent of international movements of this grain. During the marketing year just completed (Apr. 1970–Mar. 1971), export shipments of sorghum topped 1.7 million tons, the seventh record export volume within the last 10 years. In February the Ministry of Agriculture forecast sorghum exports in the current marketing year at 3 million tons and production at 4.3 million tons. However, even at the latest Government production estimate of 4.8 million tons, which is generally considered high, an export volume of 3 million tons would still appear to be somewhat optimistic.

The general export outlook for grain sorghum is conditioned by about the same factors as the outlook for corn exports.

Exports of sorghum were record high in April and May, reflecting the delayed arrivals of new crop grain which had been scheduled for March lifting. For the year, an export level of 2.5 million tons appears to be a reasonable forecast if production is not up to the latest official estimate and domestic feed needs are more normal than last season.

The larger supplies of long-grain type rice available this year from both the new harvest and a large carryover enhance the export outlook for this crop. The final level of exports will depend upon price developments in Argentina and in world markets and Government actions aimed at stimulating exports. The export retention tax of 10 percent is currently waived, but there is no word yet if this suspension will apply after September 30.

The drop in wheat production in 1970 and imports in several recent years have created concern over the future adequacy of wheat production for both the domestic market and for export to Argentina's traditional trading partners such as Brazil, Chile, Peru, and Paraguay. Aside from the effects of the drought on wheat sowing in 1970, there has been a general tendency away from wheat to alternative crops such as corn, grain sorghum, and oilseeds since these crops apparently have offered a better financial return than wheat. Thus, if wheat production is to be restored to a level that will be sufficient to meet domestic needs and export to traditional markets, there appears to be a continued need for the Government to exert an influence.

In order to augment a policy of adequate domestic supplies of wheat for both the domestic and export markets, the wheat support price for the 1971–72 harvest has been boosted 36 percent from the price prevailing at planting time.

Although support prices for the other grains are not generally operational, to the extent that the support prices reflect expectation prices, the increase in the wheat price is far greater than the 14-percent boost for corn and the 17-percent increase for sorghum.

Also, the announcement of the full schedule of 1971–72 crop support prices was made in early May, whereas last year the schedule was not released until mid-June, well into the wheat planting period, thus enabling farmers to better formulate their plans.

In October 1970, wheat prices were adjusted upward by 15 percent, but those adjustments were made just prior to harvesting and were aimed at encouraging a maximum harvest from the area already planted.

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